

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: : Chapter 11
: Case No. 05-44481 (RDD)
DPH HOLDINGS CORP., et al., : Honorable Robert D. Drain
:
Reorganized Debtors. : (Jointly Administered)

RESPONSE OF CITY OF VANDALIA, OHIO TO REORGANIZED DEBTORS'
FORTY-SEVENTH OMNIBUS OBJECTION PURSUANT TO 11 U.S.C. §503(b) AND
FED.R.BANKR.P. 3007 TO (I) DISALLOW AND EXPUNGE (A) CERTAIN
ADMINISTRATIVE EXPENSE BOOKS AND RECORDS CLAIMS, (B) A CERTAIN
ADMINISTRATIVE EXPENSE DUPLICATE CLAIM, AND (C) CERTAIN
ADMINISTRATIVE DUPLICATE SUBSTANTIAL CONTRIBUTION CLAIMS, AND
(II) MODIFY CERTAIN ADMINISTRATIVE EXPENSE CLAIMS

Claimant, City of Vandalia, Ohio (“Vandalia”), makes this response with respect to the Debtors’ Objection to Vandalia’s Administrative Claim #17152 in the amount of Thirty-Five Thousand Six Hundred Eighty-Seven and 53/100 Dollars (\$35,687.53) (the “Claim”).

1. The Claim represents withholding taxes for year 2006 and includes penalty and interest (see **Exhibit A** attached hereto). The tax amount is Twenty-Eight Thousand One Hundred and 43/100 Dollars (\$28,100.43). The penalty and interest amount is Seven Thousand Five Hundred Eighty-Seven and 11/100 Dollars (\$7,587.11), which was assessed pursuant to Section 881.08 of the Vandalia Code (see **Exhibit B** attached hereto; relevant portions on all attached ordinances are highlighted in bold text). Although the tax liability has remained unpaid for over three (3) years, Vandalia only assessed penalty and interest during the period of March 2007 through July 2007 (see **Exhibit C** attached hereto, which contains an email from the Tax Commissioner for Vandalia, Bridgette Leiter).

2. The withholding rate in Vandalia increased on January 1, 2006 from 1.75% to 2% (see **Exhibit D** attached hereto). Delphi withheld at the lower rate during a portion of 2006, which resulted in under withholding in the amount of Twenty-Eight Thousand One Hundred and 43/100 Dollars (\$28,100.43). Delphi has acknowledged this amount is owed to Vandalia (see **Exhibit E** attached hereto).

3. Per **Exhibit E**, Delphi is attempting to reduce the amount of the Claim to Nine Thousand Two Hundred Seven and 94/100 Dollars (\$9,207.94) by asserting it is due a credit of Eighteen Thousand Eight Hundred Ninety-Two and 49/100 Dollars (\$18,892.49) for payments made to other municipalities as well as payments made for local school tax.

4. Vandalia's ordinances regarding credits for payments made to other municipalities only apply to individual taxpayers, not employers, and no credits are given for school tax payments (see **Exhibit F** attached hereto). Thus, Delphi is not entitled to a credit against the Claim.

WHEREFORE, Vandalia respectfully requests that the Court deny the objection and allow the Claim in the amount of Thirty-Five Thousand Six Hundred Eighty-Seven and 53/100 Dollars (\$35,687.53).

Dated: May 11, 2010

/s/ Sarah B. Chapman Carter
Sarah B. Chapman Carter (0079889, OH)
Pickrel, Schaeffer & Ebeling, L.P.A.
2700 Kettering Tower
40 North Main Street
Dayton, Ohio 45423-2700
Telephone: (937) 223-1130
Email: scarter@pselaw.com
Attorneys for Claimant
City of Vandalia, Ohio

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing Response to Objection was filed electronically in accordance with this Court's electronic filing guidelines on the 11th day of May, 2010, and was electronically served on registered ECF participants through the Court's transmission facilities at their email addresses registered with the Court. Parties may access this filing through this Court's electronic filing system.

The undersigned further certifies that a true and accurate copy of the foregoing Response to Objection was served by ordinary mail, pursuant to applicable Federal and Local Rules, on the parties listed below on the same date as set forth above:

DPH Holdings Corp., ATTN: President, 5725 Delphi Drive, Troy, Michigan 48098;

Skadden, Arps, Slate, Meagher & Flom LLP , ATTN: John Wm. Bulter, Jr., John K. Lyons and Michael W. Perl, 155 North Wacker Drive, Chicago, Illinois 60606; and

Brian S. Masumoto, U.S. Department of Justice, Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004-2111.

/s/ Sarah B. Chapman Carter
Sarah B. Chapman Carter (0079889, OH)
Pickrel, Schaeffer & Ebeling, L.P.A.
2700 Kettering Tower
40 North Main Street
Dayton, Ohio 45423-2700
Telephone: (937) 223-1130
Email: scarter@pselaw.com
Attorneys for Claimant
City of Vandalia, Ohio